


# Procedure file

Basic information	
CNS - Consultation procedure Regulation	2006/0172(CNS) Procedure completed
Support schemes for agriculture: energy crops scheme, single area payment scheme	
Amending Regulation (EC) No 1782/2003 <a href="#">2003/0006(CNS)</a> Amending Regulation (EC) No 1698/2005 <a href="#">2004/0161(CNS)</a>	
Subject 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.10.14 Support for producers and premiums	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AGRI</b> Agriculture and Rural Development		03/10/2006
		PPE-DE <a href="#">DAUL Joseph</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.	
	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2774</a>	19/12/2006
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2763</a>	20/11/2006
European Commission	Commission DG	Commissioner	
	<a href="#">Agriculture and Rural Development</a>	FISCHER BOEL Mariann	

Key events			
22/09/2006	Legislative proposal published	<a href="#">COM(2006)0500</a>	Summary
12/10/2006	Committee referral announced in Parliament, 1st reading/single reading		
23/10/2006	Vote in committee, 1st reading/single reading		Summary
25/10/2006	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0377/2006</a>	
14/11/2006	Results of vote in Parliament		
14/11/2006	Decision by Parliament, 1st reading/single reading	<a href="#">T6-0468/2006</a>	Summary
20/11/2006	Debate in Council	<a href="#">2763</a>	Summary
19/12/2006	Act adopted by Council after consultation of Parliament		
19/12/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2006/0172(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1782/2003 <a href="#">2003/0006(CNS)</a> Amending Regulation (EC) No 1698/2005 <a href="#">2004/0161(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 036; EC Treaty (after Amsterdam) EC 037-p2
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/40882

Documentation gateway					
Legislative proposal		<a href="#">COM(2006)0500</a>	22/09/2006	EC	Summary
Document attached to the procedure		<a href="#">SEC(2006)1167</a>	22/09/2006	EC	
Committee draft report		<a href="#">PE378.841</a>	04/10/2006	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0377/2006</a>	25/10/2006	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0468/2006</a>	14/11/2006	EP	Summary

Additional information	
National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

Final act
<a href="#">Regulation 2006/2012</a> <a href="#">OJ L 384 29.12.2006, p. 0008</a> Summary

## 2006/0172(CNS) - 22/09/2006 Legislative proposal

**PURPOSE:** to amend and correct Regulation 1782/2003/EC to amend Regulation 1698/2005/EC, with particular reference to the implementation of the energy crops scheme.

**PROPOSED ACT:** Council Regulation.

**CONTENT:** Three years ago the Council reached political agreement on the 2003 CAP reform, paving the way for an in-depth reshuffling of the way the EU is granting income support to its farmers, and introducing a new support for the cultivation of energy crops, for a more sustainable development of EU agriculture and rural areas. It is now too early for a comprehensive assessment of the impact of this reform. However, from the experience already available, it appears that even if, broadly speaking, the reform had been implemented successfully, some possible specific improvements have been identified in terms of efficiency and/or simplification.

The aim of this proposal is to apply from the year 2007 the specific improvements that have been identified and which concern:

- the conclusions of the report from the Commission to the Council (see below) regarding the implementation of the energy crops scheme, i.e. making the scheme applicable in the new Member States under the same conditions as in the other Member States and authorising national aid for supporting the establishment of multiannual crops intended for bio-mass production on land benefiting from the energy crops scheme;
- the possibility for the new Member States using the single area payment scheme to continue to use this simple way of granting income

support to the farmers until the end of the year 2010. The exemption for the introduction of the statutory management requirements into cross-compliance currently foreseen for Member States applying the single area payment scheme will nevertheless not be extended beyond 2008. To ensure coherence of the baseline (subject to possible sanctions) for axis-2 measures under Rural Development with this non-extension, Article 51 of Council Regulation 1698/2005/EC should be amended accordingly;

- the simplification of the eligibility rules under the single payment scheme for the land with olive trees;
- the introduction of some needed rules regarding the direct payments linked to the sugar sector.

The Commission report feels that it would be appropriate to make the energy crops scheme available in all Member States ? including the new Member States ? in order to support appropriately their contribution to the EU biofuels initiative. This will require, notably, an adaptation of the maximum guaranteed area. The additional cost to Community budget is at maximum EUR 4.5 million per each 100 000 hectare increase in the MGA. The Commission intends to adopt, in due time, the corresponding proposal to the Council. The adaptation of the maximum guaranteed area will have to take into account the potential use of the scheme in the years 2007 and 2008 and will be reviewed in the framework of the overall review of the CAP in 2008.

A significant simplification of the implementing rules would increase the attractiveness of the scheme for both the farmers and the processors and increase its impact in terms of support to the development of energy crops. The Commission will examine carefully how the implementation rules of the scheme might be simplified while ensuring that the risks of abuse of the aid remain under control.

For further information concerning the financial implications of this measure, please refer to the financial statement.

## 2006/0172(CNS) - 23/10/2006 Vote in committee, 1st reading/single reading

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The committee adopted the report by its chairman, Joseph DAUL, approving unamended - under the consultation procedure - the proposed Council regulation amending and correcting Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

## 2006/0172(CNS) - 14/11/2006 Text adopted by Parliament, 1st reading/single reading

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The European Parliament adopted a resolution drafted by Joseph **DAUL** (EPP-ED, Fr), approving the Commission's proposal on amending Regulation 1782/2003/EC and Regulation 1698/2005/EC.

## 2006/0172(CNS) - 20/11/2006 Debate in Council

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On the basis of the text prepared by the Presidency, the Council held a policy debate on a proposal for a Regulation amending and correcting Regulation 1782/2003/EC and amending Regulation 1698/2005/EC.

The Council generally welcomed the Presidency text setting out a number of additional adjustments aimed at simplifying certain parts of Regulation 1782/2003/EC. It instructed the Special Committee on Agriculture to finalise the text on the basis of the political guidance provided by ministers, in order to enable the Council to adopt the proposal at its meeting on 19-21 December.

The debate by ministers focused in particular on the following issues:

- ? further extension of the SAPS until 2013;
- ? possibility of phasing-in statutory cross-compliance requirements for the new Member States applying the SAPS;
- ? possible abolition of the 10-month rule during which the land parcels are at the farmer's disposal and are eligible for the Single Payment Scheme under Article 44(3) of the Regulation;
- ? possibility of reducing the three-year period after which unused payment entitlements are allocated to the national reserve under Article 45 of the Regulation.

In addition, several delegations asked the Commission to provide for the possibility of national aid to top up the energy crops premium. Some other delegations, on the contrary, expressed misgivings about national aid with regard to energy crops.

In response to Member States' comments, the Commission stated that a possible extension of the SAPS beyond 2010 and the additional adjustments suggested by the Member States could be discussed during the 2008 CAP health check. As regards the future application of cross-compliance in the new Member States and the possible abolition of the 10-month rule, the Commissioner said that this issue could already be addressed next year, within a more general discussion on cross-compliance scheduled under the forthcoming German Presidency.

## 2006/0172(CNS) - 19/12/2006 Final act

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PURPOSE: to amend and correct Regulation 1782/2003/EC and to amend Regulation 1698/2005/EC, with particular reference to the implementation of the energy crops scheme.

LEGISLATIVE ACT: Council Regulation (EC) No 2012/2006 amending and correcting Regulation (EC) No 1782/2003 establishing common

rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

CONTENT: the Council adopted a regulation extending the direct support scheme to the eight Member States not benefiting from it. It increased the eligible area for energy crops from 1.5 to 2 million hectares. Latvia, although in support, issued a statement asking that cross compliance conditions start to apply only from the year when Latvia is going to implement the Single Payment Scheme. The Council issued a statement inviting the Commission to examine further pending issues which were not taken on board in the present adaptation, either in connection with the cross compliance report or with the CAP 'health check' envisaged for 2008. The Regulation also provides for the extension of the SAPS for new Member States until 2010, the simplification of the eligibility rules for olive groves and the introduction of formal direct payment rules for the sugar sector. It takes account of the accession of Bulgaria and Romania in 2007.

ENTRY INTO FORCE: 01/01/2007.

APPLICATION: 01/01/2007. However, Article 1(6) (national aid for bio-mass production) shall apply with effect from 1 January 2005, Article 1(14), (15), (17) (sugar payments) and (18) (amendment to Annex I) shall apply with effect from 1 January 2006.